

State Dept. review completed

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Att. to DDI 6195-82

DIA review completed.

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

DDI 6191-82
28 July 1982MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: [] A/NIO/NESA

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SUBJECT: Egyptian Policy Toward Lebanon and the US

1. The Lebanese crisis is gradually having a chilling effect on US-Egyptian ties and on Cairo's perception of how to proceed in the Arab-Israeli peace process. Ambassador Atherton has reported growing frustrations at both the elite and mass level among Egyptians who resent Cairo's inability to restrain Israel, influence events in Lebanon or alter US policy toward the PLO. As a result, the Egyptians have become less and less helpful:

-- At the UN Egypt continues to work with France to sponsor a pro-PLO resolution calling for PLO-Israeli talks and promises of future self-determination. Both Cairo and Paris are increasingly worried that the US has no long range Palestinian policy and that Washington is pursuing a West Beirut settlement as an end in itself, not a step toward a larger Lebanese or Arab-Israeli settlement.

-- Mubarak has refused to commit Egypt to take in any significant number of PLO fighters (Habib wants Egypt to take 4000), although he is on record as willing to take some.

2. To date Egyptian frustrations have been kept within bounds. Mubarak recognizes the enormous leverage Washington has over Egypt through military and economic aid, and few Egyptians want to risk provoking Israel. As a result, Egypt has moved carefully to avoid any fundamental rupture in ties with Tel Aviv and left open the option of resuming the autonomy talks after an Israeli withdrawal from Lebanon (and if the Israelis drop their insistence on holding talks in Jerusalem).

3. There is a growing danger, however, that Mubarak's patience will flag and some more dramatic Egyptian move will ensue. Public pressure is building for a more visible Egyptian policy to pressure the US. Even the

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semi-official newspaper, Al-Ahram, has called for a boycott of US trade and opposition groups have called for a break in relations with Israel and for sending volunteers to fight with the PLO. While Mubarak will try to avoid such controversial moves, an Israeli attack on West Beirut would produce strong pressure for retaliation against Israel and probably the US:

- Cairo's Ambassador in Tel Aviv might be recalled or normalization reversed.
- The US and Israeli Embassies could be exposed to demonstrations.
- Cairo could renounce the autonomy talks.

4. ~~Even absent such a dramatic Egyptian policy shift, the Lebanese intelligentsia has severely undermined Egyptian confidence in the autonomy process.~~ It has reduced the chances Mubarak will make any serious effort to compromise in the talks, especially if a resumption of the Camp David process threatened to damage his efforts to improve ties with the Saudis. Moreover, the Egyptian disillusionment with the US over Lebanon is sure to have a long term negative impact on US-Egyptian strategic cooperation. Finally, Mubarak's impotence with regard to Lebanon and Israel inevitably undermines his prestige at home -- the opposition is increasingly restive -- probably strengthening the hand of his fundamentalist foes.

5. ~~Any Egyptian move away from Camp David or to reduced ties with Israel could spark a backlash in Israel.~~ Popular support for the peace process would suffer and many Israelis would say Jerusalem should not have evacuated the Sinai. Begin might retaliate by annexing the West Bank and Gaza, further eroding chances for a settlement.

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ISRAEL-LEBANON
Talking Points for the DCI
(As of 1200 EDT, 28 July 1982)

Presidential Elections

- On 24 July Phalangist leader Bashir Jumayyil declared himself a candidate in the Lebanese Presidential election. The announcement has sparked a wave of Sunni Muslim and leftist criticism, although Shia leaders--thought to be amenable to some sort of an alliance with Bashir--have been generally quiet since the beginning of the formal electoral process. 25X1
- The election appears likely to be held between 3 and 10 August, although it can take place as late as 23 September when President Sarkis' term expires. Those opposed to Bashir will probably try to deadlock the process by influencing, or intimidating, one third of the deputies to boycott the election, thus preventing a quorum. 25X1
there are currently 16 deputies who will definitely boycott the elctions and that the number could go as high as 36, more than enough to block the election. 25X1

Beirut Situation

- Israeli aircraft resumed their attacks on Palestinian positions this morning, apparently in response to Palestinian rocket and artillery fire on East Beirut and on Israeli positions southeast of Beirut. Israeli targets were again the southern suburbs, with Sabra and Burj al Barajinah refugee camps receiving the heaviest attacks. 25X1
- Muslim leader Sa'ab Salam told Ambassador Dillon today that the situation in West Beirut is critical. Water and electricity have been cut off and some hospitals may be forced to close. He also claimed that the Israelis had used cluster bombs in yesterday's attacks on Beirut. 25X1

US Weapons

- The State Department has asked our Embassies in Beirut and Tel Aviv to inquire about the origin of US M-16's the Israelis have seized in Lebanon. The Israelis claim the weapons came to the PLO from Saudi Arabia but an examination of serial numbers indicates they were provided by the US to the Lebanese Army. State believes the M-16's may have been taken from the Lebanese Army by the Israelis or the PLO. 25X1

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Arab League Meeting

-- The Arab League committee on Lebanon is meeting today in Saudi Arabia. It will apparently discuss the renewal of the mandate for the Syrian-dominated Arab Deterrent Force, which expired yesterday. [REDACTED]

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Cluster Bombs

-- [REDACTED] the Israeli use of cluster bombs against the Burj al Barajinah refugee camp. He also noted the precision of Israeli air and artillery strikes, consistent with a desire to minimize civilian casualties. [REDACTED]

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Syrian Control of PLO

-- Lebanese civilians have reported to the US Defense Attache's office in Damascus that Syrian troops in the Bekaa have set up roadblocks to prevent Palestinians from infiltrating Israeli lines. Palestinian infiltration/attacks on Israeli forces in the Bekaa Valley, appear to have dwindled following Israel's punitive raids on the Syrians last week. [REDACTED]

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